

# Ventura County Community College District

## Overview of Governor's 2021-22 January Budget Proposal



Dr. David El Fattal

Board of Trustees

January 19, 2021

# State Budget Timeline

- **By January 10:** Governor releases the proposed budget for the upcoming fiscal year
- **February to Early May:** State budget subcommittees hold dozens of hearings to review the Governor’s proposed budget and make initial decisions
- **Mid-May to June:** Governor releases the May Revision by May 14
  - Each house of the Legislature then finalizes its version of the budget, after which a legislative conference committee may meet to resolve differences
- **June:** Legislative leaders and the Governor meet to address outstanding issues
- **June 15:** Constitutional deadline for lawmakers to pass the budget bill
- **July 1:** New fiscal year begins. Governor may sign budget bill and budget-related bills (or issue vetoes) by this date. CCD’s are required to have a Trustee approved Tentative Budget in place
- **September 15:** Deadline by which CCD’s shall have a Trustee approved Adoption Budget in place

# Governor's 2021-22 January Budget Proposal

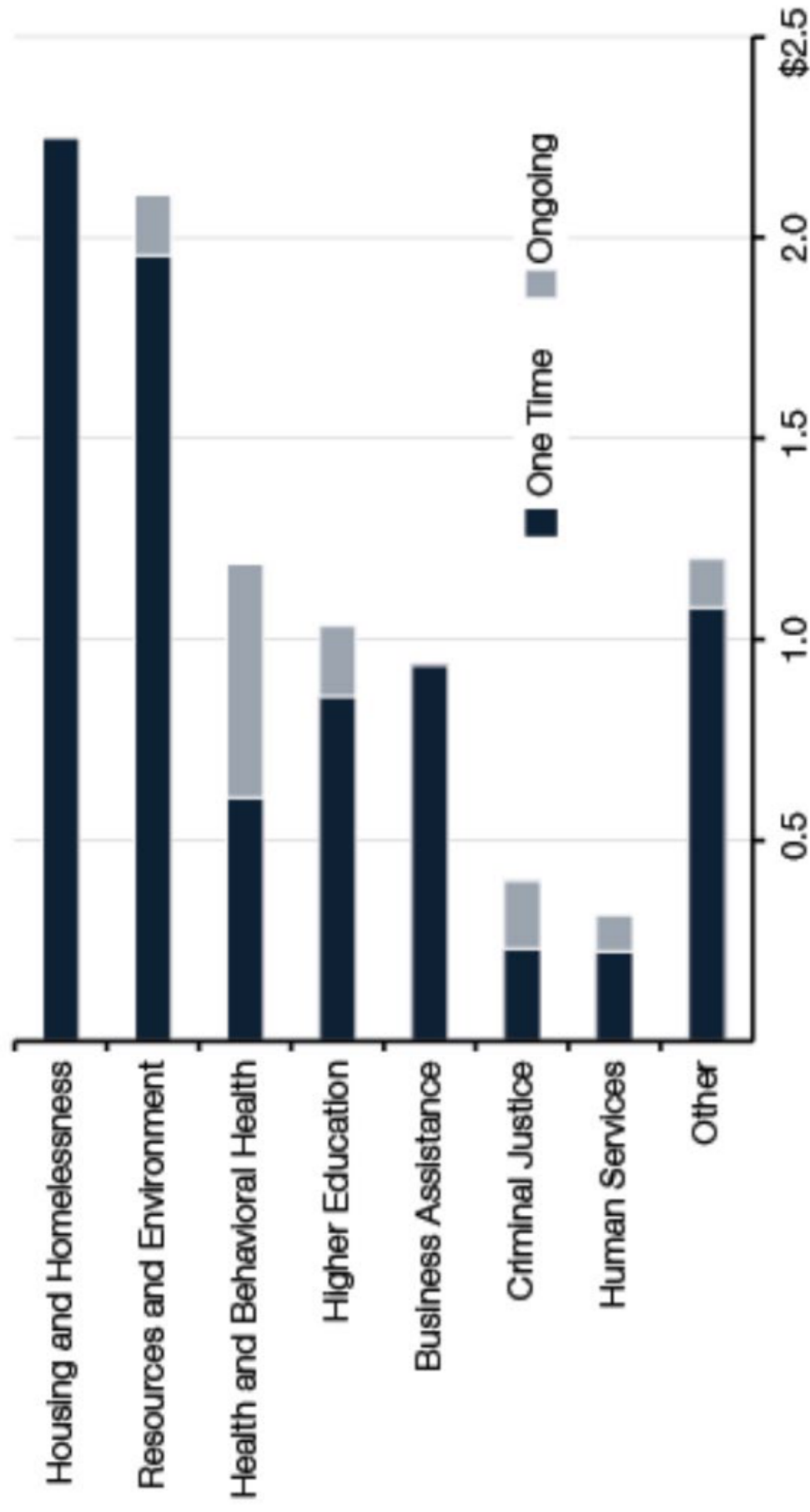
— A Good Budget of Early Action, Equity, and Resiliency —

## Governor's Priorities

- Overall State Budget – Slight increase to \$227.2 Billion
  - \$15.5 Billion Windfall of One-time Resources
- Goal: From a K-Shaped Recovery to an E-Shaped Recovery
  - Education and Equity in the Economy
- Maintains State's Commitments:
  - Paydown Liabilities
  - Maintain Reserves
  - Increase Spending for One-time initiatives
  - Address Urgent Economic Needs Resulting from COVID-19 Pandemic

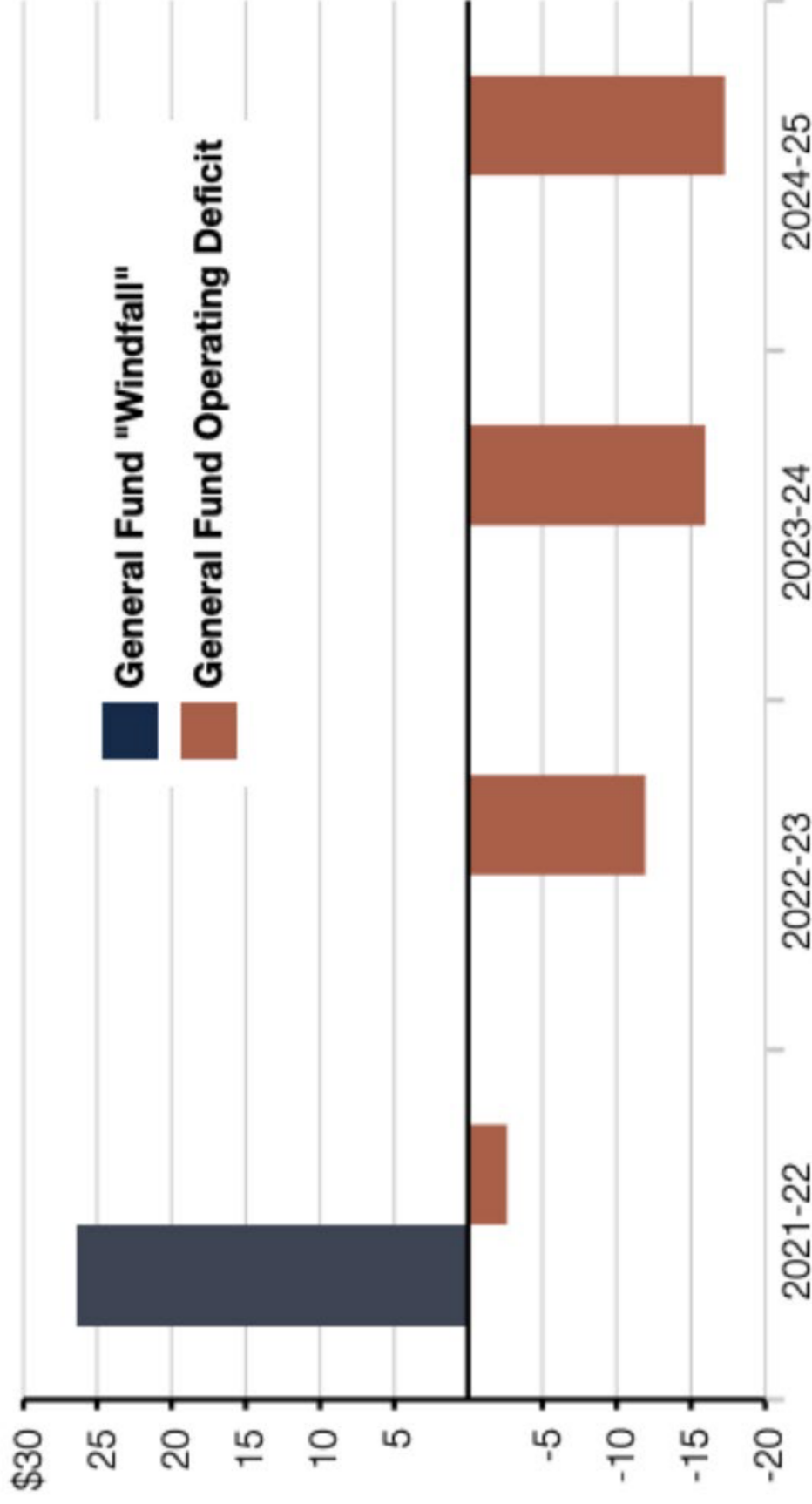
# How the Governor Allocates the \$15.5 Billion Windfall by Program Area

(In Billions)



# Operating Deficits Grow Over Multiyear Period

(In Billions)



# Deferral Paydowns in Governor's Budget (per LAO)

	K-12 Education	Community Colleges	Totals (in millions)
Payment Deferrals (Enacted June 2020)	\$11,042	\$1,453	\$12,495
Proposed Paydowns (Governor's Budget):			
2019-20	\$0	-\$145	-\$145
2020-21	-4,624	-901	-5,525
2021-22	<u>-2,695</u>	<u>-81</u>	<u>-2,776</u>
<b>Totals</b>	<b>-\$7,318</b>	<b>-\$1,127</b>	<b>-\$8,445</b>
Remaining Deferrals	\$3,723	\$326	\$4,050

# 2021-22: Addressing California Community Colleges Deferrals

Fiscal Year	Deferral Action	Amount	Net Deferral (in millions)
2020-21*	New deferral	\$1,453	\$1,453
2021-22	Repayment	-\$1,127	\$326

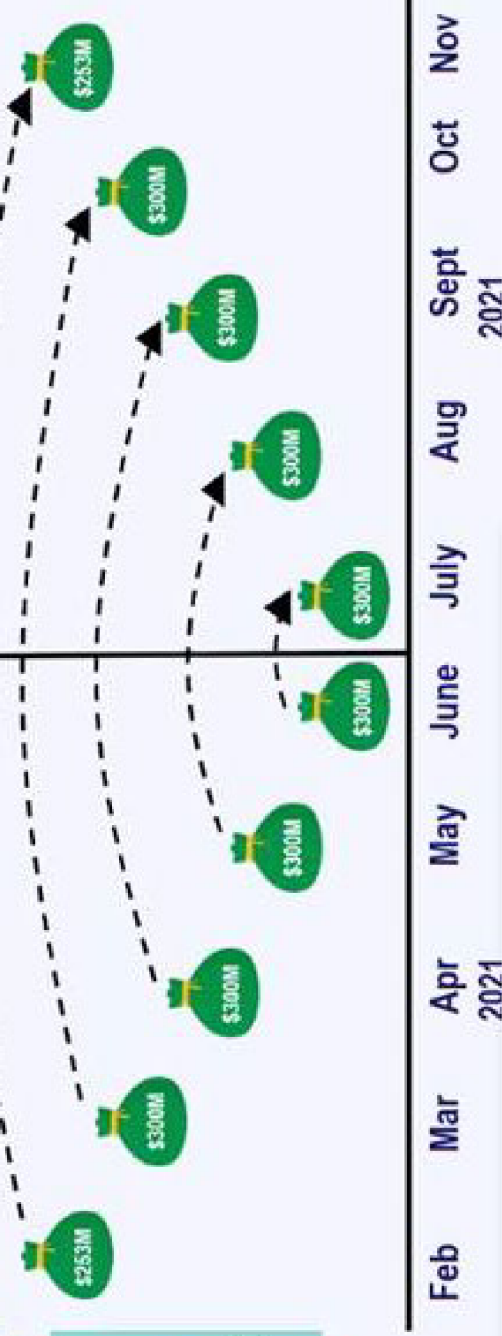
\* Deferrals begin February 2021

# California Community Colleges Deferrals: 2020-21

The Budget agreement requires the following schedule for deferred payments totaling \$1.45 billion:

The Budget agreement provides that if sufficient federal funds materialize by fall, then \$791.1 million would not be deferred

Cash Deferrals 2020-21  
(in millions)





# California Community Colleges: Early Action Plan

## Spending Increases and Revenue Reductions Proposed for Immediate and Early Action (In Millions)

Program/Department	Proposal	2020-21	2021-22	Total
<b>Schools and Community College Spending (General Fund)</b>				
Department of Education	Expanded learning and academic intervention	\$4,557	—	\$4,557
Department of Education	In-person instruction grants	2,000	—	2,000
California Community Colleges	Emergency student financial aid	100	—	100
California Community Colleges	Student retention and enrollment strategies	20	—	20
<b>Totals, Schools and Community Colleges</b>		<b>\$6,677</b>	<b>—</b>	<b>\$6,677</b>
<b>Total Early and Immediate Action Proposals</b>		<b>\$11,520</b>	<b>\$1,308</b>	<b>\$12,823</b>

- One-time investment of \$100 million in emergency student financial assistance grants,
- One-time resources of \$20 million for retention and re-enrollment strategies, including engaging with former students who may have withdrawn or prospective students who are hesitant to enroll due to the impacts of COVID-19.

# 2021-22 California Community Colleges Budget: Ongoing

	(in millions)
* Provide 1.5% COLA for SCFF	\$111.1
Increase access to online technology as well as mental health services	30
Fund 0.5% enrollment growth for SCFF	23.1
Expand California Apprenticeship Initiative	15
Invest in online education ecosystem and infrastructure	10.6
Provide 1.5% COLA for certain categorical programs	6.1
Cover increased costs for broadband access provided by CENIC	8
<b>Subtotal Ongoing Policy Adjustments</b>	<b>\$203.9</b>

\* The Governor's budget provides 1.5 percent COLA for community colleges and other education programs while providing K-12 with a 3.84 percent COLA for the Local Control Funding Formula. The K-12 COLA rate reflects the estimated statutory COLA for 2021-22 (1.5 percent) plus the compounded value of the COLA the state did not provide in 2020-21.

# 2021-22 California Community Colleges Budget: One-Time

	(in millions)
Provide emergency financial assistance grants for students	\$250
Address students' basic needs related to food and housing insecurity	100
Support retention and enrollment strategies	20
Expand work-based learning	20
Increase faculty professional development	20
Expand Zero-Textbook Cost pathways	15
Provide instructional materials for dual enrollment students	2.5
AB 1460 implementation and anti-racism initiatives	.6
<b>Total</b>	<b>\$681</b>

# Diversity, Equity, and Inclusion

- **Invests in the “Call to Action.”** The Governor’s Budget includes \$600,000 for Chancellor’s Office coordination of systemwide antiracism efforts and the implementation of the new ethnic studies course requirement in the California University (CSU) as it affects community college transfer students.
- **Requires Action Plans to Close Equity Gaps.** The budget expects each segment of higher education to draft actionable plans to close equity gaps. Community college districts would be required to draft actionable plans as a condition for receiving the COLA included in the 2021-22 budget proposal.

# Workforce Development

- **\$15 million** ongoing to expand the California Apprenticeship Initiative, to support the development of new and innovative apprenticeship and pre-apprenticeship programs through competitive grants.
- **\$20 million** one-time for grants to expand access to work-based learning models and programs at community colleges, including working with faculty and employers to incorporate work-based learning into the curriculum.
- **\$250 million** one-time General Fund to support workforce development and better linkages between higher education and gainful employment. The focus will be enhancing opportunities for communities that have been systemically excluded.

# Other Actions

- Districts would be required to maintain a number of online courses in 2021-22 that is 10% higher than the number offered in 2018-19.
- The establishment of a dual admission process between the California Community Colleges and the public university systems and calls for increased production of Associate Degrees for Transfers (ADT).
- If the University of California uses an alternative pathway and set of requirements for transfer, it must clearly specify the courses in the pathway that are different from the ADT requirements.
- Requires all higher education segments to adopt a common learning management system (such as Canvas), with a goal of increased efficiency that could be achieved by negotiating collectively with a vendor.

# Pension Costs

- The 2021-22 Governor’s Budget does not propose further buydowns, but continues implementation of the 2021-22 employer contribution reduction.

Pension System	2019-20	2020-21	2021-22
CalSTRS Employer Rate	17.10%	16.15%	15.92%
CalPERS Employer Rate	19.721%	20.70%	23.00%

# Ventura County Community College District

## Coronavirus Aid, Relief and Economic Security (CARES) Act: Higher Education Emergency Relief Fund (HEERF) II

Institution	Student Aid Portion *	Institutional Portion
Moorpark College	\$2,571,780	\$7,973,601
Oxnard College	\$1,563,606	\$6,225,159
Ventura College	\$2,290,769	\$8,139,283

\*A board item accepting these funds will be presented to the Board of Trustees at the February 2021 meeting.